

INTER-OFFICE CORRESPONDENCE  
HUDSON BAY MINING AND SMELTING CO., LIMITED

Date June 11 1987To P. MARTIN At TORONTOFrom R. STROSHEIN At WHITEHORSESubject PROPOSED DIAMOND DRILLING W.C.M.

A total of 178 claims require assessment north of the Arctic chief deposit. This represents the minimum claim requirements to maintain the copper belt as a contiguous claim group. Three drill hole locations are highlighted on figure 1. They represent a cumulative footage of 800-1000 feet.

The proposed drill holes are:

FIG 2. GR-24 -50°E projected to depth of 450'.  
Best Chance South grid @ line 45/10+00W  
located on Bonzo section between the Grafton and Iron Horse crown granites. Drilling to test a southern extension of a mineralized skarn zone which outcrops at surface and has been intersected at depth in earlier drilling. A north-south strike and steep westerly dip (80°) has been determined. The earlier drill intersections averaged 1.5-3.0% copper with .03-.05% gold and .4-1.2 opt silver across widths of 25-29 feet. Several intervals of .08-.14 opt gold (1-5 feet) have been assayed and closely associated with copper values of 3-8%.

Fig 2. BC-49 -50°W projected depth 150'.  
Best chance South grid @ 27N/9+00W  
located on Emily 4 fr. Drilling to test a small skarn outcrop with coincident magnetic anomaly. No reported samples of outcrop. Skarn hosted by Unit 5 limestone near diorite.

Figure 3. RF-4 -50°W projected depth 400'.  
War Eagle Grid @ 98N / 37+00E  
located on Bormite 1 claim. Drilling  
to test EM anomalies coincident with the  
unit 4 quartzite (dolomite) and granodiorite  
contact. Earlier drill hole RF-3 drilled  
(Dec 1984) 200 feet of overburden  
before intersecting granodiorite in bedrock.

Caron Diamond Drilling of Whitehorse has agreed  
to carry out the drilling using the same  
contract used since the 1984 program.

The footage rate is \$25.00 / foot.

In conjunction with the diamond drilling I  
am planning on carrying out surface examination  
and sampling of the showings in the  
Grafton - Best Chance - Spring Creek area.  
This appears to be an area with some  
gold potential. The Grafton & Best Chance  
deposits may be joined and therefore  
contain a significant potential reserve. The  
present open pittable reserves of the  
Best Chance deposit is reported (Tenney) as  
270,000 tonnes. There are numerous  
significant high grade copper (3-5%) intervals  
at the Best Chance deposit and there are  
no reported gold or silver assays.

The proposed drilling will provide the minimum 1 year assessment requirement for the north end of the claim group with additional years assessment for local areas. There also remains 26 claims in the GEN - KETWICAW area which require assessment work this year. I will carry out an examination of the area and available reports to determine the most effective method of providing the assessment.

I am recommending the present drilling especially on the south as this is one of the more favourable areas where we could develop some potential gold interest. The alternative is to carry out rotary or percussion drilling along fences between the Red Chance and Pueblo. The area covers the drilling completed in 1985 (BC-48) where the sediment intrusive contact was drilled. This type of program could still be considered to provide longer term assessment and to take advantage of flow through funding if available.